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## May 15, 2007

DELAWARE CONSTITUTIONAL AMENDMENT ENACTED ALLOWING THE SECURITIES AND EXCHANGE COMMISSION TO BRING QUESTIONS OF LAW DIRECTLY TO THE DELAWARE SUPREME COURT

A Delaware constitutional amendment authorizing the Securities and Exchange Commission to certify questions of law to the Delaware Supreme Court was recently enacted. The amendment enables the Securities and Exchange Commission to bring critical and urgent questions concerning Delaware law to the Delaware Supreme Court; thus, providing expedited decisions and greater certainty with regard to the corporate law. Previously, only other courts were able to certify questions of law to Delaware's Supreme Court.

Over 50% of publicly-traded corporations, and 60% of Fortune 500 companies, are incorporated in Delaware. In addition, in 2006, more than 70% of new initial public offerings on U.S. exchanges were made by corporations incorporated in Delaware. With the large number of companies choosing Delaware as their place of incorporation, and the outstanding reputations of Delaware's courts, this expedited process for addressing corporate law issues will further strengthen Delaware courts' preeminence as the forum of choice for corporations.

Myron T. Steele, Chief Justice of the Delaware Supreme Court, stated: "The members of the Supreme Court welcome this amendment as responsive to the Securities and Exchange Commission's expressed interest in seeking the Court's advice on corporate issues, on occasion. We are pleased to have this opportunity to provide enhanced services to Delaware's corporate citizens."

Professor Jeffrey D. Bauman, Georgetown University Law Center, who is a well-known expert in the area of corporate law, added: "Delaware's Constitutional amendment is an innovative approach to questions of federalism and corporate law. It is not clear how often the Securities and Exchange Commission will accept Delaware's invitation, particularly in controversial areas of corporate governance."

Brian G. Cartwright, General Counsel, Securities and Exchange Commission, indicated that he was pleased with the new constitutional amendment and stated: "In our constitutional system, federal and state law coexist side-by-side, each with its distinctive role. As a result, the administration of the federal securities laws often requires interpretation of state law. I am delighted that the SEC now has this new ability to obtain definitive answers to important questions of Delaware law."

FOR FURTHER INFORMATION
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